

SENATE BILL NO. 90—SENATOR FORD

PREFILED JANUARY 27, 2017

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to student loans.
(BDR 18-18)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to student loans; requiring the Director of the Department of Business and Industry to develop and carry into effect a program to allow residents of this State to refinance certain student loans; authorizing the issuance of revenue bonds to pay the cost of the program; requiring the Director to compile and disseminate certain informational material about private lending institutions that make student loans; requiring postsecondary educational institutions in this State to provide certain financial information to persons who apply for admission to those institutions; requiring the Director to prepare reports relating to the amount of indebtedness incurred for student loans by students attending educational institutions in this State; repealing provisions relating to an existing student loan program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 2** of this bill requires the Director of the Department of Business and
2 Industry to develop and carry into effect a program to allow residents of this State
3 to obtain loans to refinance certain student loans. **Section 3** of this bill authorizes
4 the Director to issue or request the issuance of revenue bonds to pay the cost of the
5 program in the manner provided by the State Securities Law. **Section 4** of this bill
6 requires the Director to compile and make available to the public information
7 regarding the rates of interest, repayment requirements and policies of private
8 lending institutions that regularly make loans to residents of this State. **Section 4**
9 also requires that those lending institutions be ranked according to the rate of
10 interest charged for student loans and the degree to which their repayment



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requirements and policies are determined by the Director to be more or less favorable to borrowers.

Section 5 of this bill requires the Director to prepare informational material relating to student loans for prospective and current students of postsecondary educational institutions. **Section 5** also requires a copy of this material to be provided by each institution of the Nevada System of Higher Education and each postsecondary educational institution licensed by the Commission on Postsecondary Education to each person who applies for admission to the institution.

Section 6 of this bill requires the Director to compile and analyze annually certain information relating to the average amount of indebtedness incurred for student loans by students attending postsecondary educational institutions both within the State and nationally, and report the results of the analysis to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

Sections 9 and 15 of this bill require, respectively, that each private postsecondary educational institution operating in this State and each institution of the Nevada System of Higher Education provide to each applicant for admission to the institution certain information about the costs of attending the institution, available student loans and the amount of indebtedness that will be incurred if student loans are used to pay all the costs of attendance.

Section 18 of this bill repeals provisions relating to an existing student loan program, the Nevada Higher Education Student Loan Program, which the Superintendent of Public Instruction is authorized to administer.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 232 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. 1. *The Director of the Department of Business and Industry shall develop and carry into effect a program that allows residents of this State to obtain loans to refinance qualified education loans. In carrying out the program, the Director may make loans, undertake commitments to make loans and participate with private lending institutions in the making of loans to refinance qualified education loans. The criteria established for determining eligibility to participate in the program must be substantially similar to the criteria used by private lending institutions in this State to determine whether a person qualifies for an unsecured personal loan at a market rate of interest.*

2. *The rate of interest on loans made pursuant to the program must be as low as practicable, but sufficient to pay the cost of the program, including, without limitation, the repayment of bonds issued pursuant to section 3 of this act, and provide a reserve in an amount determined to be appropriate by the Director.*

3. *A loan made pursuant to this program must be subject to the provisions of 11 U.S.C. § 523(a)(8).*



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1 4. As used in this section, "qualified education loan" has the
2 meaning ascribed to it in 26 U.S.C. § 221(d)(1).

3 **Sec. 3.** 1. To pay the cost of the program created pursuant
4 to section 2 of this act, the Director may borrow money or
5 otherwise become obligated, and may provide evidence of those
6 obligations by issuing or requesting the State Board of Finance to
7 issue revenue bonds in the manner provided by the State Securities
8 Law.

9 2. Any bonds issued pursuant to this section and
10 administrative expenses related to the bonds are payable solely
11 from revenues pledged or available for their repayment. This
12 limitation must be plainly stated on the face of the bonds.

13 **Sec. 4.** 1. The Director shall identify each private lending
14 institution that regularly makes student loans to residents of this
15 State. For each such lending institution, the Director shall obtain
16 and analyze information relating to the rate of interest currently
17 charged by the lending institution and its repayment requirements
18 and policies as they relate to student loans available to residents of
19 this State.

20 2. Based upon the analysis of the information described in
21 subsection 1, the Director shall compile and maintain a list of the
22 private lending institutions identified by the Director, ranking
23 them as far as practicable according to the rate of interest charged
24 by each lending institution and the repayment requirements and
25 policies of each lending institution as they relate to student loans
26 available to residents of this State. Those lending institutions
27 charging a lower rate of interest and having repayment
28 requirements and policies that are determined by the Director to
29 be more favorable to borrowers must be ranked more highly than
30 competing lending institutions. The Director shall post the list
31 developed pursuant to this subsection on the Internet website of
32 the Department, specifically identifying the five lending
33 institutions that are most highly ranked and the five lending
34 institutions that are lowest ranked. The Director shall update the
35 list not less frequently than every 30 days.

36 **Sec. 5.** 1. The Director shall prepare informational
37 material for students or prospective students on the terms and
38 conditions of student loans and the responsibilities of a borrower
39 with respect to a student loan. The material must include, without
40 limitation, information about available repayment plans for
41 student loans, strategies for managing debt, options for the
42 prepayment of student loans and the consequences of defaulting
43 on a student loan.



2. Each institution of the Nevada System of Higher Education and each postsecondary educational institution licensed by the Commission on Postsecondary Education shall:

(a) Provide a copy of the material prepared by the Director pursuant to this section to each person who applies for admission to the institution;

(b) Obtain from each such person a written acknowledgment of receipt of the material;

(c) Retain a copy of the acknowledgment in its records for not less than 10 years; and

(d) Provide a copy of the acknowledgment, upon request, to any private lending institution described in subsection 3.

3. Except as otherwise provided in this subsection, a private lending institution operating pursuant to a license or other authority granted by the Commissioner of Financial Institutions, an institution of the Nevada System of Higher Education or a postsecondary educational institution licensed by the Commission on Postsecondary Education shall not process an application for a student loan or collect any fees for such an application until it has requested and received a copy of the acknowledgment described in subsection 2. If the application is approved and a loan is made, a copy of the acknowledgment must be retained in the loan file. The provisions of this subsection do not apply to a federally funded, federally insured or federally guaranteed student loan for which counseling is required by 20 U.S.C. § 1092(b).

Sec. 6. 1. On or before January 15 of each year, each institution of the Nevada System of Higher Education and each postsecondary educational institution licensed by the Commission on Postsecondary Education shall submit to the Director a report setting forth the average amount of indebtedness incurred for student loans during the immediately preceding calendar year by students attending the educational institution.

2. The Director shall:

(a) Compile and analyze the information reported pursuant to subsection 1 to determine the statewide average amount of indebtedness incurred for student loans during the immediately preceding calendar year by students attending the institutions described in subsection 1;

(b) Compare the amount determined pursuant to paragraph (a) to the national average amount of indebtedness incurred for student loans during the immediately preceding calendar year by students attending postsecondary educational institutions in the United States;

(c) Compare the amount determined pursuant to paragraph (a) to the statewide average amount of indebtedness incurred for



1 *student loans during the immediately preceding calendar year by*
2 *students attending postsecondary educational institutions in the*
3 *state with the lowest ratio of statewide average amount of*
4 *indebtedness incurred for student loans to the lowest quintile of*
5 *per capita income during that year; and*

6 *(d) On or before March 15 of each year, submit a report of the*
7 *analysis required by paragraph (a) and the comparisons required*
8 *by paragraphs (b) and (c) to:*

9 *(1) The Governor; and*

10 *(2) The Director of the Legislative Counsel Bureau for*
11 *transmittal to the Legislature.*

12 **Sec. 7.** NRS 232.505 is hereby amended to read as follows:

13 232.505 As used in NRS 232.505 to 232.845, inclusive, *and*
14 *sections 2 to 6, inclusive, of this act*, unless the context requires
15 otherwise:

16 1. "Department" means the Department of Business and
17 Industry.

18 2. "Director" means the Director of the Department.

19 3. *"Postsecondary educational institution" or "educational*
20 *institution" means a postsecondary educational institution as*
21 *defined in NRS 394.099. The term also includes any public school,*
22 *college or university described in that section.*

23 4. *"Private lending institution" or "lending institution"*
24 *means any private entity that itself, or through an affiliate, makes*
25 *available student loans to pay for or finance the expenses of*
26 *attending a postsecondary educational institution.*

27 5. *"Student loan" means a loan issued by a private lending*
28 *institution or a postsecondary educational institution to pay for or*
29 *finance the expenses of attending a postsecondary educational*
30 *institution.*

31 **Sec. 8.** NRS 232.520 is hereby amended to read as follows:

32 232.520 The Director:

33 1. Shall appoint a chief or executive director, or both of them,
34 of each of the divisions, offices, commissions, boards, agencies or
35 other entities of the Department, unless the authority to appoint such
36 a chief or executive director, or both of them, is expressly vested in
37 another person, board or commission by a specific statute. In
38 making the appointments, the Director may obtain lists of qualified
39 persons from professional organizations, associations or other
40 groups recognized by the Department, if any. The chief of the
41 Consumer Affairs Division is the Commissioner of Consumer
42 Affairs, the chief of the Division of Financial Institutions is the
43 Commissioner of Financial Institutions, the chief of the Housing
44 Division is the Administrator of the Housing Division, the chief of
45 the Manufactured Housing Division is the Administrator of the



1 Manufactured Housing Division, the chief of the Real Estate
2 Division is the Real Estate Administrator, the chief of the Division
3 of Insurance is the Commissioner of Insurance, the chief of the
4 Division of Industrial Relations is the Administrator of the Division
5 of Industrial Relations, the chief of the Office of Labor
6 Commissioner is the Labor Commissioner, the chief of the Taxicab
7 Authority is the Taxicab Administrator, the chief of the Nevada
8 Transportation Authority is the Chair of the Authority, the chief of
9 the Division of Mortgage Lending is the Commissioner of Mortgage
10 Lending and the chief of any other entity of the Department has the
11 title specified by the Director, unless a different title is specified by
12 a specific statute.

13 2. Is responsible for the administration of all provisions of law
14 relating to the jurisdiction, duties and functions of all divisions and
15 other entities within the Department. The Director may, if he or she
16 deems it necessary to carry out his or her administrative
17 responsibilities, be considered as a member of the staff of any
18 division or other entity of the Department for the purpose of budget
19 administration or for carrying out any duty or exercising any power
20 necessary to fulfill the responsibilities of the Director pursuant to
21 this subsection. This subsection does not allow the Director to
22 preempt any authority or jurisdiction granted by statute to any
23 division or other entity within the Department or to act or take on a
24 function that would contravene a rule of court or a statute.

25 3. May:

26 (a) Establish uniform policies for the Department, consistent
27 with the policies and statutory responsibilities and duties of the
28 divisions and other entities within the Department, relating to
29 matters concerning budgeting, accounting, planning, program
30 development, personnel, information services, dispute resolution,
31 travel, workplace safety, the acceptance of gifts or donations, the
32 management of records and any other subject for which a uniform
33 departmental policy is necessary to ensure the efficient operation of
34 the Department.

35 (b) Provide coordination among the divisions and other entities
36 within the Department, in a manner which does not encroach upon
37 their statutory powers and duties, as they adopt and enforce
38 regulations, execute agreements, purchase goods, services or
39 equipment, prepare legislative requests and lease or use office space.

40 (c) Define the responsibilities of any person designated to carry
41 out the duties of the Director relating to financing, industrial
42 development or business support services.

43 4. May, within the limits of the financial resources made
44 available to the Director, promote, participate in the operation of,
45 and create or cause to be created, any nonprofit corporation,



1 pursuant to chapter 82 of NRS, which he or she determines is
2 necessary or convenient for the exercise of the powers and duties of
3 the Department. The purposes, powers and operation of the
4 corporation must be consistent with the purposes, powers and duties
5 of the Department.

6 5. For any bonds which the Director is otherwise authorized to
7 issue, may issue bonds the interest on which is not exempt from
8 federal income tax or excluded from gross revenue for the purposes
9 of federal income tax.

10 6. May, except as otherwise provided by specific statute, adopt
11 by regulation a schedule of fees and deposits to be charged in
12 connection with the programs administered by the Director pursuant
13 to chapters 348A and 349 of NRS. Except as otherwise provided by
14 specific statute, the amount of any such fee or deposit must not
15 exceed 2 percent of the principal amount of the financing.

16 7. May designate any person within the Department to perform
17 any of the duties or responsibilities, or exercise any of the authority,
18 of the Director on his or her behalf.

19 8. May negotiate and execute agreements with public or private
20 entities which are necessary to the exercise of the powers and duties
21 of the Director or the Department.

22 9. May establish a trust account in the State Treasury for
23 depositing and accounting for money that is held in escrow or is on
24 deposit with the Department for the payment of any direct expenses
25 incurred by the Director in connection with any bond programs
26 administered by the Director. The interest and income earned on
27 money in the trust account, less any amount deducted to pay for
28 applicable charges, must be credited to the trust account. Any
29 balance remaining in the account at the end of a fiscal year may be:

30 (a) Carried forward to the next fiscal year for use in covering the
31 expense for which it was originally received; or

32 (b) Returned to any person entitled thereto in accordance with
33 agreements or regulations of the Director relating to those bond
34 programs.

35 *10. May adopt regulations to carry out the provisions of*
36 *sections 2 to 6, inclusive, of this act.*

37 **Sec. 9.** Chapter 394 of NRS is hereby amended by adding
38 thereto a new section to read as follows:

39 *1. Each postsecondary educational institution shall provide to*
40 *each applicant for admission to the institution and, if the applicant*
41 *is under the age of 18 years, to the parent or guardian of the*
42 *applicant, information about:*

43 *(a) The total annual cost of attending the institution,*
44 *including, without limitation, the cost of tuition, fees, books,*
45 *materials and room and board;*



1 (b) *The approximate or, if known, the actual total amount of*
2 *any financial aid that the applicant will receive from the*
3 *institution;*

4 (c) *The approximate or, if known, the actual total amount of*
5 *indebtedness that the applicant will incur over a period of 4 years*
6 *if all the costs described in paragraph (a) are paid with student*
7 *loans, and the monthly payment that will be required to repay that*
8 *indebtedness; and*

9 (d) *Current interest rates and repayment plans for student*
10 *loans that are available to students attending the institution and*
11 *the rate of default on student loans among students who have left*
12 *the institution during the immediately preceding 10 years.*

13 2. *Each postsecondary educational institution shall create a*
14 *link on its Internet website to the list of private lending institutions*
15 *posted pursuant to section 4 of this act by the Director of the*
16 *Department of Business and Industry.*

17 **Sec. 10.** NRS 394.411 is hereby amended to read as follows:

18 394.411 1. The Commission shall adopt regulations
19 governing the administration of NRS 394.383 to 394.560, inclusive,
20 *and section 9 of this act* and may adopt such other regulations as are
21 proper or necessary for the execution of the powers and duties
22 conferred upon it by law.

23 2. The Administrator shall execute, direct or supervise all
24 administrative, technical and procedural activities for which the
25 Administrator is responsible in accordance with the policies and
26 regulations of the Commission and subject to the Commission's
27 direction and control.

28 **Sec. 11.** NRS 394.480 is hereby amended to read as follows:

29 394.480 1. Notwithstanding the provisions of NRS 100.065
30 to the contrary, each:

31 (a) Postsecondary educational institution initially licensed on or
32 after July 1, 1995, shall file with the Administrator a surety bond in
33 the amount of \$10,000 or in a greater amount determined by the
34 Commission for the period of the initial license to operate, including
35 any provisional period.

36 (b) Postsecondary educational institution or other entity which is
37 authorized to employ one or more agents in this State shall file with
38 the Administrator a surety bond in the amount of \$10,000 or in a
39 greater amount determined by the Commission for the period of the
40 agent's permit.

41 (c) Postsecondary educational institution that poses a financial
42 risk to the students who are enrolled in the institution, as determined
43 by the Commission, shall file with the Administrator a surety bond
44 in the amount of \$10,000 or in a greater amount determined by the



1 Commission for a period that the Commission determines is
2 appropriate.

3 (d) Postsecondary educational institution that files for a change
4 of ownership shall file with the Administrator a surety bond in the
5 amount of \$10,000 or in a greater amount determined by the
6 Commission for the period of the initial license to operate issued to
7 the new owner, including any provisional period.

8 (e) Postsecondary educational institution may be required by the
9 Commission to file a new or supplementary bond in an amount and
10 for a period determined appropriate by the Commission if the
11 Commission determines that the current bond filed by the institution
12 is insufficient to cover all claims, accrued or contingent, against the
13 institution.

14 2. The bond required of a postsecondary educational institution
15 pursuant to subsection 1 must be executed by the entity that owns
16 the institution as principal, by a surety company as surety and by a
17 licensed insurance agent residing in this State. The bond must be
18 payable to the State of Nevada and must be conditioned to provide
19 indemnification to any student, enrollee or his or her parent or
20 guardian determined by the Commission to have suffered damage as
21 a result of any act by the postsecondary educational institution that
22 is a violation of NRS 394.383 to 394.560, inclusive **H**, and **section**
23 **9 of this act**. The bonding company shall provide indemnification
24 upon receipt of written notice of the determination by the
25 Commission. The bond may be continuous, but regardless of the
26 duration of the bond the aggregate liability of the surety does not
27 exceed the penal sum of the bond.

28 3. A surety on any bond filed pursuant to this section may be
29 released after the surety gives 30 days' written notice to the
30 Administrator, but the release does not discharge or otherwise affect
31 any claim filed by a student, enrollee or his or her parent or guardian
32 for damage resulting from any act of the postsecondary educational
33 institution or agent alleged to have occurred while the bond was in
34 effect, or for an institution's ceasing operations during the term for
35 which tuition had been paid while the bond was in force.

36 4. A license or an agent's permit is suspended by operation of
37 law when the institution or agent is no longer covered by a surety
38 bond as required by this section. The Administrator shall give the
39 institution or agent, or both, at least 20 days' written notice before
40 the release of the surety, to the effect that the license or permit will
41 be suspended by operation of law until another surety bond is filed
42 in the same manner and amount as the bond being terminated.

43 5. If any student is entitled to a refund from an institution
44 pursuant to any provision of NRS 394.383 to 394.560, inclusive,
45 **and section 9 of this act**, the surety shall provide indemnification.



Sec. 12. NRS 394.510 is hereby amended to read as follows:

394.510 1. The Commission may impose an administrative fine of not more than \$10,000 against a licensee, revoke a license, or make a license conditional after its issuance, if the Commission reasonably believes that the holder has violated the provisions of NRS 394.383 to 394.560, inclusive, *and section 9 of this act*, or regulations adopted pursuant to those sections, or has failed to comply with a lawful order of the Commission. The Administrator shall notify the institution of the reasons for the action by certified mail to its last known address, 20 days before the meeting of the Commission at which the action will be considered.

2. If the Commission revokes a license, the institution shall cease its operations and granting degrees and shall refund to each enrolled student the cost of the student's current course or program.

3. The Administrator may impose an administrative fine of not more than \$10,000 against an institution or agent, revoke an agent's permit, or make a permit conditional after its issuance, if the Administrator reasonably believes that the holder has violated the provisions of NRS 394.383 to 394.560, inclusive, *and section 9 of this act* or regulations adopted pursuant thereto. Before action is taken, the Administrator shall notify the holder by certified mail of facts or conduct that warrant the impending action and advise the holder that if a hearing is desired it must be requested within 10 days after receipt of the notice letter. If no hearing is requested within the prescribed period the action becomes final.

4. If an agent is fined or the agent's permit is revoked or conditions imposed, the Administrator shall notify, by certified mail, the institution the agent represented in addition to the agent and any other parties to any hearing.

Sec. 13. NRS 394.520 is hereby amended to read as follows:

394.520 1. Until 1 year after the last date of attendance or date on which the damage occurred, whichever is later, a person claiming damage as a result of any act by a postsecondary educational institution or its agent, or both, that is a violation of NRS 394.383 to 394.560, inclusive, *and section 9 of this act*, or regulations adopted pursuant thereto, may file with the Administrator a verified complaint against the institution, its agent, or both. The complaint must set forth the alleged violation and contain other information as required by regulations of the Commission. A complaint may also be filed by a Commissioner or the Attorney General or initiated by the Administrator.

2. The Administrator shall investigate any verified complaint and may, at his or her discretion, attempt to effectuate a settlement by arbitration, mediation or negotiation. The Administrator may also consult with the applicable accrediting body to resolve the



1 complaint. If a settlement cannot be reached, the Administrator shall
2 render a decision and notify each party of the decision and the
3 reasons for it by certified mail to his or her last known address.
4 Either party may request a hearing before the Commission by
5 notifying the Administrator by certified mail within 15 days after
6 the decision was mailed to the party. The hearing must be held at the
7 next meeting of the Commission in the geographical area convenient
8 to the parties. If a hearing is not requested, the decision of the
9 Administrator is final.

10 3. If, after consideration of all the evidence presented at a
11 hearing, the Commission finds that a postsecondary educational
12 institution or its agent, or both, are guilty of the violation alleged in
13 the complaint, it shall issue and the Administrator shall serve upon
14 the institution or agent, or both, an order to cease and desist from the
15 violation. If the Commission finds the institution has substantially
16 failed to furnish the instruction or services agreed upon in the
17 agreement to enroll, it shall order the institution to make full
18 restitution to the student of all money paid pursuant to the
19 agreement. If the Commission finds that the institution has
20 substantially furnished the instruction or services agreed upon in the
21 agreement to enroll, but that conditions in the school were
22 sufficiently substandard that it was not reasonable to expect the
23 student to complete the instruction, the Commission shall order the
24 institution to make restitution to the student of one-half the money
25 paid pursuant to the agreement. The Commission may also, as
26 appropriate, based on the Administrator's investigation and the
27 evidence adduced at the hearing, or either of them, institute
28 proceedings to revoke an institution's license or recommend that the
29 Administrator institute proceedings to revoke an agent's permit.

30 **Sec. 14.** NRS 394.553 is hereby amended to read as follows:

31 394.553 1. The Account for Student Indemnification is
32 hereby created in the State General Fund. The existence of the
33 Account does not create a right in any person to receive money from
34 the Account. The Administrator shall administer the Account in
35 accordance with regulations adopted by the Commission.

36 2. Except as otherwise limited by subsection 3, the money in
37 the Account may be used to indemnify any student or enrollee who
38 has suffered damage as a result of:

39 (a) The discontinuance of operation of a postsecondary
40 educational institution licensed in this state; or

41 (b) The violation by such an institution of any provision of NRS
42 394.383 to 394.560, inclusive, *and section 9 of this act* or the
43 regulations adopted pursuant thereto.



1 3. If a student or enrollee is entitled to indemnification from a
2 surety bond pursuant to NRS 394.480, the bond must be used to
3 indemnify the student or enrollee before any money in the Account
4 may be used for indemnification.

5 4. In addition to the expenditures made for indemnification
6 pursuant to subsection 2, the Administrator may use the money in
7 the Account to pay extraordinary expenses incurred to investigate
8 claims for indemnification or resulting from the discontinuance of
9 the operation of a postsecondary educational institution licensed in
10 this state. Money expended pursuant to this subsection must not
11 exceed, for each institution for which indemnification is made, 15
12 percent of the total amount expended for indemnification pursuant
13 to subsection 2 or \$10,000, whichever is less.

14 5. No expenditure may be made from the Account if the
15 expenditure would cause the balance in the Account to fall below
16 \$10,000.

17 6. Interest and income earned on the money in the Account,
18 after deducting any applicable charges, must be credited to the
19 Account.

20 7. The money in the Account does not lapse to the State
21 General Fund at the end of any fiscal year.

22 **Sec. 15.** Chapter 396 of NRS is hereby amended by adding
23 thereto a new section to read as follows:

24 1. *Each university, state college and community college*
25 *within the System shall provide to each applicant for admission,*
26 *and, if the applicant is under the age of 18 years, to the parent or*
27 *guardian of the applicant, information about:*

28 (a) *The total annual cost of attending the university or college,*
29 *including, without limitation, the cost of tuition, fees, books,*
30 *materials and room and board;*

31 (b) *The approximate or, if known, the actual total amount of*
32 *any financial aid that the applicant will receive from the university*
33 *or college;*

34 (c) *The approximate or, if known, the actual total amount of*
35 *indebtedness that the applicant will incur over a period of 4 years*
36 *if all the costs described in paragraph (a) are paid with student*
37 *loans, and the monthly payment that will be required to repay that*
38 *indebtedness; and*

39 (d) *Current interest rates and repayment plans for student*
40 *loans that are available to students attending the university or*
41 *college and the rate of default on student loans among students*
42 *who have left the university or college during the immediately*
43 *preceding 10 years.*



1 **2. Each university, state college and community college**
2 **within the System shall create a link on its Internet website to the**
3 **list of private lending institutions posted pursuant to section 4 of**
4 **this act by the Director of the Department of Business and**
5 **Industry.**

6 **Sec. 16.** NRS 397.060 is hereby amended to read as follows:

7 397.060 The three Nevada State Commissioners, acting jointly:

8 1. Shall:

9 (a) Choose from among Nevada residents who apply for a
10 program administered by the Nevada Office of the Western
11 Interstate Commission for Higher Education, and have at least 1
12 year's residence in this state immediately before applying for the
13 program, those most qualified for contract places; and

14 (b) Certify them to receiving institutions or locations at which
15 an applicant will practice his or her profession.

16 2. Shall choose from among the applicants, for a program
17 administered by the Nevada Office of the Western Interstate
18 Commission for Higher Education, who apply for a support fee of
19 100 percent stipend for practice in certain professions and locations,
20 and who lack at least 1 year of residence in this State immediately
21 before applying for the program, those most qualified for contract
22 places.

23 3. Shall review and certify the list of Nevada applicants for
24 programs administered by the Regional Office of the Western
25 Interstate Commission for Higher Education.

26 4. May enter into any reciprocity agreement, including, without
27 limitation, the State Authorization Reciprocity Agreement, for the
28 purpose of authorizing a postsecondary educational institution that
29 is located in another state or territory of the United States to provide
30 distance education to residents of this State if the requirements
31 contained in the agreement for authorizing a postsecondary
32 educational institution that is located in another state or territory of
33 the United States to provide distance education to residents of this
34 State are substantially similar to the requirements for licensure of a
35 postsecondary educational institution by the Commission on
36 Postsecondary Education pursuant to NRS 394.383 to 394.560,
37 inclusive **H**, and **section 9 of this act**. As used in this subsection,
38 "postsecondary educational institution" has the meaning ascribed to
39 it in NRS 394.099.

40 **Sec. 17.** The provisions of subsection 1 of NRS 218D.380 do
41 not apply to any provision of this act which adds or revises a
42 requirement to submit a report to the Legislature.

43 **Sec. 18.** NRS 385.102, 385.104, 385.106, 385.107 and
44 385.108 are hereby repealed.



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- 1 **Sec. 19.** This act becomes effective:
- 2 1. Upon passage and approval for the purposes of adopting any
- 3 regulations and performing any other preparatory administrative
- 4 tasks necessary to carry out the provisions of this act; and
- 5 2. On January 1, 2018, for all other purposes.

TEXT OF REPEALED SECTIONS

385.102 “Institution of higher education” defined. As used in NRS 385.104, “institution of higher education” means an educational institution which:

1. Admits as regular students only persons having received a certificate of graduation from high school, or the recognized equivalent of such a certificate, or those approved by the Superintendent of Public Instruction for training at a vocational-technical level;
2. Is authorized to provide a program of education beyond high school;
3. Awards a bachelor’s degree or a 2-year degree or certificate of graduation or a certificate of completion of a program beyond high school;
4. Is an institution with full approval of the State of Nevada or the United States Department of Education; and
5. Has recognized accreditation.

385.104 Establishment of Program; use of money; policies and regulations of State Board.

1. The Higher Education Student Loan Program is hereby established.
2. Money available for the Higher Education Student Loan Program must be used to provide loans to further the educational goals of Nevada residents who are admitted to and attending institutions of higher education.
3. The State Board shall establish policies and may adopt regulations for the administration of the Higher Education Student Loan Program.

385.106 Administration of Program; powers of State Board.

1. The Superintendent of Public Instruction may administer the Higher Education Student Loan Program and may consult with any public officer or private person in the State who may have an interest in higher education or in the Program. The Superintendent of Public Instruction shall notify the State Board at least 30 days in



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advance if the Superintendent intends to stop administering the Program.

2. After receiving notice from the Superintendent of Public Instruction that he or she intends to stop administering the Program, but before the Superintendent actually stops administering it, the State Board, with the concurrence of the Governor, shall designate another public agency or private nonprofit organization to administer the Program in a manner which ensures continued access to the Program by postsecondary schools in this State, including all of the institutions of the Nevada System of Higher Education. The designation may authorize assumption of any reserves or liability accruing to an agency or organization engaged in administering the Program or the guarantee of student loans.

3. If the Superintendent of Public Instruction administers the Program, the State Board may:

(a) Negotiate and accept federal and other money appropriated and available to insure loans for student educational purposes under the Program.

(b) Negotiate and enter into such agreements with other agencies as it deems proper for the administration and conduct of the Program.

(c) Accept gifts, grants and contributions from any source that will facilitate and assist the higher education of Nevada residents.

385.107 Higher Education Student Loan Fund. If the Superintendent of Public Instruction administers the Higher Education Student Loan Program:

1. The money available for the Program must be deposited in the State Treasury for credit to the Higher Education Student Loan Fund which is hereby created as a special revenue fund.

2. Each expenditure from this Fund must be paid as other claims against the State are paid.

385.108 Duties of Superintendent of Public Instruction: Withdrawals; use of money; records. If the Superintendent of Public Instruction administers the Higher Education Student Loan Program, the Superintendent shall:

1. Certify to the State Controller all withdrawals for purposes of the Program. The State Controller shall then issue a warrant to the State Treasurer in the amount of the certification. The State Treasurer shall disburse that amount in accordance with the warrant.

2. Use the money received for the Higher Education Student Loan Program for that Program.

3. Establish and maintain such records for the Program as are required by good accounting practices.

